

Friday, August 18, 2017 / 26 Zul Oida 1438 Hijri

## Market Today (August 17, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	43,044.12	39,757.00	6,835.00	47.59

(Source: Express Tribune)

## Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. August 17, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	105.5	105.3
UK	GBP	136.15	135.89
Euro	EUR	124.27	124.03
Canada	CAD	83.66	83.5
Switzerland	CHF	109.39	109.19
Australia	AUD	83.74	83.58
Sweden	SEK	13.21	13.18
Japan	JPY	0.9603	0.9584
Norway	NOK	13.34	13.31
Singapore	SGD	77.39	77.25
Denmark	DKK	16.71	16.68
Saudi Arabia	SAR	28.13	28.08
Hong Kong	HKD	13.63	13.6
China	CNY	16.16	16.13
Kuwait	KWD	349.45	348.79
Malaysia	MYR	24.58	24.53
New Zealand	NZD	77.31	77.16
Qatar	QAR	28.97	28.92
UAE	AED	28.72	28.67

(Source: Business Recorder)

## Sectoral Share in GDP %

Sectors/Sub-Sectors	2014-15	2015-16 (p)
Commodity Producing Sector (Agriculture + Industrial Sector)	41.4	40.8
Agriculture	20.80	19.82
Crops	8.2	7.4
Livestock	11.7	11.6
Fishing	0.4	0.4
Forestry	0.4	0.4
Industrial Sector	20.6	21.0
Mining & Quarrying	2.9	2.9
Manufacturing	13.6	13.6
Construction	2.4	2.6
Electricity & Gas Distribution	1.7	1.9
Services Sector	58.6	59.2
Transport, Storage & communication	13.4	13.3
Wholesale & Retail Trade	18.3	18.3
Finance & Insurance	3.2	3.3
Ownership of Dwellings	6.7	6.7
General Government Services	7.1	7.6
Other Services	9.9	10.1

(Source: Economic Survey of Pakistan 2015-16)

## Smeda devising programme for internationalisation of SMEs

The Small and Medium Enterprises Development Authority (Smeda) is devising a long-term programme for internationalisation of Pakistan's SMEs by enabling them to meet global standards of the world export markets. The programme was discussed at a meeting held with SMEDA CEO Sher Ayub Khan in chair, who was informed that the programme was being evolved in collaboration with Netherlands Expert Organisation known as "PUM" Sheharyar Tahir, Incharge S M E D A Directorate of External Relations, said that a joint fact finding mission of Smeda and PUM had collected insight from the stakeholders of SME sector by holding consultative sessions with a cross-section of the trade bodies to lay down the programme. Odulfus Van Summeren, a senior expert of PUM from Netherlands, had been working with Smeda to undertake the consultation process and determine the impediments weighing down evolution of SMEs in Pakistan. For this purpose, Smeda had also organised various industry field visits for a complete in-depth analysis of the structure and process of industry. Taking benefit of the Dutch Associate, Smeda also arranged counselling sessions with several start-ups, business incubation centres and chambers of commerce to discuss their constraints and offer on-the spot practical advice based on the experts' experience of Netherlands. During multiple meetings with trade bodies, Smeda was praised by Lahore Chambers of Commerce, Rawalpindi chamber and Faisalabad chamber for initiation of a much-needed programme and were of the opinion that PUM programme will help SMEs to meet global standards and make them capable of accessing new potential export markets. *(The Nation)*

## CPEC provides avenues to target \$100b Chinese agri-market

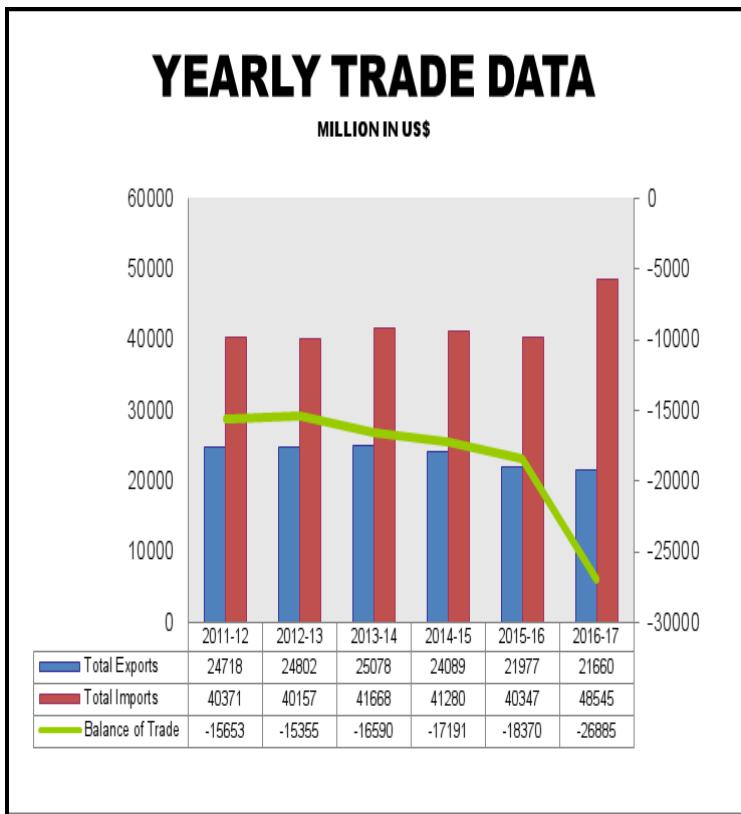
The China-Pakistan Economic Corridor (CPEC) is a golden opportunity for overall development of this region and Pakistan should reorganise its agriculture sector to get a major slice of the \$100 billion worth of agriculture produce imports by China, suggested Muhammad Mehmood, Punjab Agriculture Secretary. Speaking at the launch of a study on "C P E C – Prospects & Challenges for Agriculture", Mehmood pointed out that nearly one-fourth of the world population was living in China and most of its exports would be routed through Pakistan after the completion of CPEC. "Containers full of exportable surplus will be sent to various international markets, but on their return, these containers will be empty and we must capitalise on the opportunity to export our surplus agriculture produce to China," he said. Mehmood revealed that per capita income of China was increasing substantially, bringing a visible change in people's lifestyle and food habits there. "Like other affluent societies, they also prefer rich and costly food and fruits," he said, adding Pakistan could get maximum benefit of the emerging change. "We are concentrating on high-value crops and a 10-year programme has been evolved to develop one lakh acres of land in the Potohar region for planting grape and other high-value crops." Major Chinese importers will also be invited to utilise this land for growing high-value fruits in addition to developing the agriculture processing industry on modern scientific lines. "Its trickle-down effect will provide an opportunity to our farmers to upgrade their technologies and develop agriculture as a profitable business by shunning centuries-old practices," Mehmood said. He told the audience that foreign consultants had been engaged to analyse why Pakistan had not been able to get its due share in Chinese imports despite its friendly relations and close proximity. He suggested that Pakistan should renegotiate the bilateral trade agreement and a meeting was expected in the current or next month. After that, "we would be in a position to decide which strategy is suitable for Pakistan to enhance its share in Chinese imports" *(Express Tribune)*

## Plan being drawn up to take SMEs to global markets

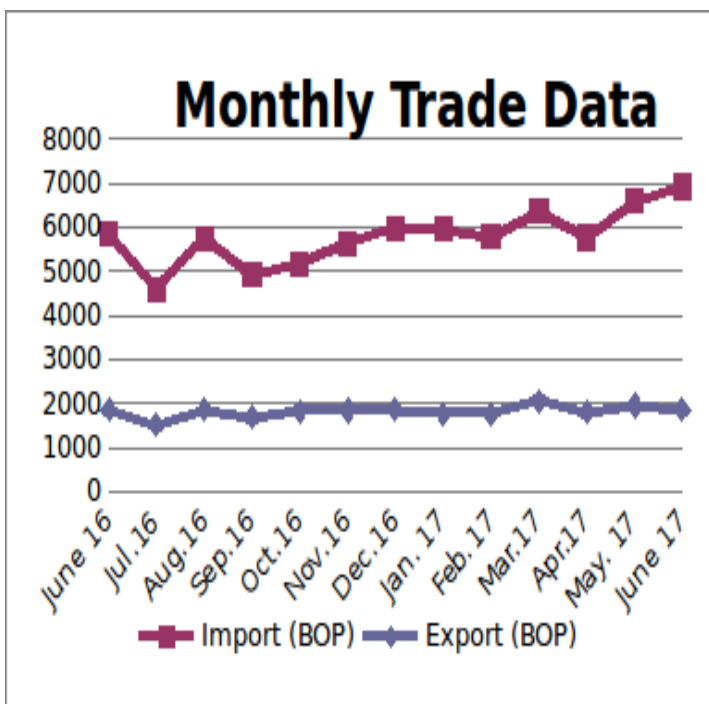
The Small and Medium Enterprises Development Authority (Smeda), which promotes the cause of small business units, is designing a long-term programme to help SMEs enter the international arena after meeting global market standards. Smeda's Directorate of External Relations Incharge Sheharyar Tahir, in a meeting, revealed that in order to draw up the plan, a joint fact-finding mission of Smeda and PUM, a Netherlands-

Economic Indicators	
Annual (2015/16)	
Foreign Debt	\$62.649bn
Per Capita Income	\$1,512
GDP Growth	4.24%
Average CPI	8.6%
Monthly (June, 2017)	
Trade Balance	\$-3,189 mln
Exports	\$1,865 mln
Imports	\$5,054 mln
Weekly (July 14, 2017)	
Reserves	\$20.830 mln

(Source: SBP)



(Source: SBP)



(Source: SBP)

based expert organisation, had gathered input from stakeholders of the SME sector. The mission engaged in consultative sessions with a cross-section of trade bodies. He said Odulfus Van Summeren, a senior PUM expert, had been working with Smeda to push ahead with the consultation process and outline the impediments weighing down the evolution of SMEs in Pakistan. For this purpose, Smeda has organised various industry visits for an in-depth analysis of the structure and processes of industrial units. Taking advantage of the Dutch cooperation, Smeda also arranged counselling sessions with start-ups, business incubation centres and chambers of commerce to discuss their constraints and offer on-the spot practical advice based on expert experience. In the meeting, Smeda CEO Sher Ayub told the External Relations Directorate to ensure early implementation of the programme in order to achieve the desired goals. He voiced hope that the programme would enhance the capability of SMEs and enable them to export goods and add to the country's export revenues. PUM is a non-profit organisation established in 1978 by the Dutch employers' federation with financial support from the Netherlands Ministry of Foreign Affairs that has assisted over 40,000 organisations worldwide. The organisation has more than 3,000 highly experienced businessmen and professionals that provide services all across the globe. *(Express Tribune)*

### PTEA expresses concern over unending fall in exports

The Pakistan Textile Exporters Association (PTEA) has expressed grave concern over the sluggish growth in exports as unending export downfall has continued unabated. High costs of production, competitiveness, inconsistency in government policies and uncompetitive energy prices have contributed to the deteriorating exports. PTEA Chairman Mian Amir Farooq said, "The country is undergoing an unprecedented crisis for many years. Consequently, sizeable textile capacity has been severely impaired and textile exports, both in quantity and value terms, have declined across the value chain; whereas regional peers have doubled their exports. Giving details, Farooq said that the country's textile exports were \$13.8 billion in 2010-11, which has dropped by 10.4% to \$12.4 billion in 2016-17. On the other hand, textile exports of India witnessed 31% increase from \$27.7 billion in 2010-11 to \$36.4 billion in 2016-17. "Unfortunately, the government is not feeling the pain of the fall in export earnings as sliding exports are contributing significantly to the trade deficit," said the chairman. Citing reasons for the erosion of the textile industry, he said that competitiveness was a major factor behind the downfall, particularly against the huge incentives being provided by the competing countries to their export sectors. *(Express Tribune)*

### Reserves slide continues

Foreign exchange reserves held by the country continued their downward slide last week, the State Bank of Pakistan (SBP) reported on Thursday. Total liquid reserves dropped by \$88 million to \$19.94 billion on Aug 11. The breakdown of foreign reserves showed that those held by the SBP amounted to \$14.31bn while the holdings by commercial banks were \$5.63bn. APP attributed the decline in part to payments on external debt servicing as well as "other official payments". This is the lowest level the reserves have touched since June 2016. Reserves have been in decline since October 2016 when they hit the peak of \$24.4bn. Reserves held by banks, on the other hand, have hit a six-year high. Commercial banks have significantly increased short-term borrowing of foreign exchange in recent months. This is part of their efforts to replenish dollar liquidity in the face of a stable exchange rate amidst a growing current account deficit and falling reserves. The SBP has sounded a note of caution on these increasing levels in subsequent reports, pointing out in one quarterly report that the level of short-term dollar borrowing by banks was approaching \$875 million. *(Dawn)*

### Market watch: With over 1,000-point plunge, KSE-100 hits lowest level in 8 months

In contrast to the previous session, the stock market once again tumbled and lost more than 1,000 points on Thursday as new political developments caused jitters among investors. The KSE-100 index failed to build on its gains and after a brief stay in the positive territory, the index began to descend. The political turmoil in the country dampened investor sentiments and pushed the index down by 1,053 points. Later, it made a slight recovery, but failed to sustain the momentum and slumped further, hitting an intra-day low of 43,044.12 points. *(Express Tribune)*